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CARBOHYDRATE CONTAINS SPYWARE

6 October 1955

Date, Time, and Place of Meeting: 5 October 1955, 1930-2315, CARBOHYDRATE's apt.

Present: a. b. CARBOHYDRATE

1. After the usual amenities, the following matters pertaining to CADROIT security were discussed:

a. Re the SFS approach to Horst KAISER, with instructions that he was to reestablish his former friendship with the former ~~supplies~~ mailer and present supplier of stamps, Karl SCHULZ, (with CADROIT cover names "SCHNEIDER IT" and "SCHROEDER"), CARBOHYDRATE delivered a six page report centering upon SCHULZ, who is stated almost conclusively to be an SFS Spitzel. Considerable time was spent discussing the report, which is summarized as follows: S. became a MA in 1952, being used at first for P and W checks and similar items. He became a mailer after the end of 1952, appearing to do his work well. He began to secure stamps in East Berlin, which he claimed to get through two friends who were postal officials in W 9 and W 8. S. fled to W. Berlin in May 1954, since he appeared to be endangered by the arrest of a number of old mailers. He was surveilled by CADROIT in East Berlin on the day before his flight; his story did not jibe in all respects with the surveiller's report--this was put down at the time as the result of S.'s efforts to build his story up a little bit for purposes of political recognition. (He had not been used as mailer from August to December 1953, due to arrest of ~~the~~ mailers who knew his CADROIT activity). He had pushed to be reactivated, however, and on his own wish was used to get stamps after Jan 1954). S's common law wife (Emma BOESE) and his one child remained in East Berlin after his removal to the West. Contact with him was not dropped, since he was producing the much-desired ~~more~~ stamps, although caution was exercised ~~now~~ due to above facts. As further scrutiny showed nothing out of

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the way, he was used for low level addressing work, etc. inside the building, where he became acquainted with Kaiser. Observation against showed no undue interest on his part aside from his work, etc. Probably at this time Kaiser arranged for S. to procure stamps for MTS also, which he is still doing. Continued surveillance showed now, however, that S. appeared to have a little too much money for his position. He received approx. DM 220 per month from CADROIT (plus, as recently learned, DM 120 per month from MTS). He drank a lot. When Froelich queried re source of income, S. answered that he had other sources connected with his earlier smuggling of cows from East Berlin to West Berlin for farmers who fled the DDR. He had been forbidden to go to East Berlin himself, but it appeared that he might have on occasion to get the stamps. His common law wife brought them to Froelich a number of times from his apartment when he was drinking. At this point, thus, CADROIT was taking a calculated risk in order to continue getting the stamps. In June 1955 came the first really concrete indication of possible SFS connection: a refugee MA named "Schwabe" noted his suspicion that Schults had played a role in the arrest of MA "Ella Rosenberg", since Schults had come to know her as a CADROIT ME in "Schwabe's" apartment. A meeting with LADELL took place at ~~xxxxxx~~ once: it was decided that Schults would not be allowed in the building any more, that he would continue to procure stamps (desired by Froelich, also at the meeting), and that he would be observed in the East sector. The latter surveillance was carried out on three days in July, but revealed ~~xxxxxx~~ nothing out of the ordinary. A second concrete ~~xxx~~ indication re Schults was received on 20 August 1955, when a woman giving a name and address which checks later showed to be non-existent called CADROIT at 0535 in the morning to state that Karl Schults, (true name), alias Schneider, residing with (Frau) Schneider at Nielandstr. 10 works for CADROIT and has been SFS agent for

one and one half years. He was responsible for all arrests-i.e., the arrests of "Becker", "Winzer", "Hammer", "Mauritius", Herr Brandt, and Fr. Weber. There must be a house search at once; there is much material to be found; this man should be arrested at once. He has been taking photocopies and visitors slips over to the East. He is now on vacation. He will be in his apartment until 0600, then he is to go to the SFS. He has also been photographing for the SFS.

(Note that "Becker", "Winzer", "Mauritius" and "Hammer" were all mailers known as such to S. through a long since discontinued system of distributing the mail to them, the old mail office. They had all been arrested in approx. August to December 1953 for unexplained reasons. Weber was the true name of MA "Ella Rosenberg," also known to S., who was arrested later as noted above. // Brandt is unknown to CADROIT.)

Froelich and Pesch have checked the stamps produced by S; they appear to be genuine ([] requested copies for KUBARK check).

Debriefing of a recent refugee who used to work in the post office where S's two suppliers supposedly work showed that one of the friends named by S was known to the former employee; the other was unknown.

Also noted the fact that S. has recently bought a second hand FIAT for 800 DM, according to him.

CARBO concluded with his conviction that S. is really an SFS agent. Discussed possible explanations for the telephone call aside from explanation of SFS connection. XXXXX The knowledge of the arrests in latter half of 1953/ however, would indicate that whoever called had access to good info which would normally be found only within CADROIT or the SFS. Noted possibility of SFS harassment action aimed at disrupting CADROIT activities, sowing suspicion, etc. Noted the possibility that the phone call had been made by S's common law

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after a fight with S. The wife had stated to Froelich a number of times that S. is "brutish" when drunk. Noted the necessity of keeping S. from realizing the extent of our knowledge and suspicion of him. CARBO suggested an attempt to play the case back by [] organization; [] noted another possibility of using the channel to feed false info to the SFS as part of a definite provocation or confusion plan. Nothing definite decided upon what action to be taken, however, aside from keeping our suspicions from S. Copy of report is attached.

b. CARBO delivered written report on arrest of three ~~MA~~ who were known to each other, ~~Hans-Joachim~~ Frits KUHL, Kurt EBERT (both of whom worked at Potsdam Industrie und Handelskammer), and Waltraud BOCHER. BOCHER was later released and fled to W. Berlin where she will remain. As the attached report shows, the SFS officer who interrogated BOCHER purported to have on his desk a copy of a report written by Dr. Berger, the CADROIT staffer who had dealt with the arrestees. Debriefing of her indicated this to be only a bluff used to aid in the SFS interrogation, however. It was also learned after the arrests that Brun of the LFV was also in contact with KUHL (a former friend of his from old Potsdam days). Brun had introduced KUHL to a fhu HOFER as a member of the W. Berlin KRIPO. LADELL has complained to Brun of this double contact, ~~minimum~~

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c. CARBO delivered report noting in connection with ~~passing~~ previously reported arrest of Karl ALTHAUS that nothing during the latter's trial was said of connection with CADROIT. The grounds were rather connection with English IS.

d. Re the earlier reported SFS approach to Fr. ADLER, the registry worker, through her DDR residing father, the father has fled to W. Berlin where he will remain.

e. In connection with an earlier reported case of SFS forced recruitment of a Mitarbeiter, "Reiber", CARBO noted a new and more aggressive SFS office had been assigned to the case. The MA has thus fled to W. Berlin where he will remain.

f. A new case of SFS forced recruitment of a MA was noted. "Stabach", was registered as MA in July 1953 by Olbrich, appeared again only one year later in June 1954. He then reported he had been forcibly recruited by SFS after temporary arrest due to a letter he had written RIAS ~~xxxxxxxxxx~~ through a W. Berlin cover address. MA stated he received only local KEI's unconnected with CADROIT. During the next visit in Aug 1955 the MA admitted he had worked for HIAS under the same cover name; checks with HIAS confirmed that he had delivered reports there. CARBO distrusts the MA's motives, however, has recommended to LADELL that the MA be terminated.

g. CARBO delivered report and copy of letter sent by the SFS to Bluhm of the staff through his East Berlin residing brother. This is the continuation of an action which began with the SFS directing the cousin to visit Bluhm but not to reveal that he came from the SFS. The latter has now come out in the open. Bluhm has repeated his earlier statements to the SFS that he is not interested. Attached.

h. Wife and daughter of Hirschfeld of the staff have come permanently to W. Berlin. Another close relative has been gotten out of the DDR.

i. CARBO delivered his monthly report for August (copy had earlier been missing from monthly report due to vacation).

2. [] raised the following points:

a. [] noted indications that the SFS was paying more attention than formerly to former staffers who have left for some reason or other. CARBO was requested to survey terminees for last six months and prepare a report showing names of all terminees, present location, and present occupation.

CARBO to look particularly for cases where a terminee appeared to have no present occupation or an insufficient position. Mentioned LERMAN case, which CARBO noted as having ~~been~~ been settled satisfactorily (LERMAN now has his antique shop with credit from ~~his~~ brother). CARBO will survey and report.

b. [] noted the need for another issue of the check sheets on physical security. Only one set has been completed and delivered to KUBARK, ~~recently~~ although the matter has been tickled a number of times. [] suggested the matter be discussed with LADELL, if it appeared that CARBO could never get to it, to see whether the forms could not be done in some way.

c. [] noted the new staffer, Kurt Hirschfeld, a former MA, had been discussed the previous evening with HENARD. ~~same~~ As a former MA he would be worth more scrutiny than usual. Discussed the ~~maxim~~ probability that the SFS would turn again to this approach in an attempt to penetrate CADROIT -- establish an SFS controlled MA in CADROIT's confidence through fairly extended MA connections, and then have the MA flee and try to get a job within the staff. Requested CARBO survey all present members of the staff in this connection ~~from this standpoint~~, the first step being to prepare a list of all staffers who were former MA, regardless of whom. CARBO to report later.

d. Re the KAISER case, CARBO gave the following info in ~~answer~~ answer to queries: Kaiser's wife knew almost as soon as Kaiser did what his West German address would be, what his place of work would be. CARBO did not know the extent of her earlier knowledge re the precise salary he would receive (not the KUBARK compensation, which the wife gave in detail to CARBO, but the resettlement job). Re what work/access KAISER had with true name MA Kartai in 1950, CARBO notes there is no way now to determine this precisely, since it was so long ago, etc. (COMMENT: This

sounds much more believeable to [] than a flat statement that "he never had access of any sort", etc. It is clear, however, that he has had no recent access, i.e., since 1950/1951/ 1952.) These points had been raised for comparison with KAISER's statements to WERBER and [] [] One final point in this connection: CARBO did not know whether KAISER had seen HENARD before he left Berlin or not.

b. [] passed on a number of warnings to CARBOHYDRATE (Helmut HOFFMANN; Robert Brandt, Koenigstr. 35). The chief point made was that KUBARK has considerable file info, ~~xxxxxxxxxxxxxxxxxxxxxxxxxxxx~~ ~~xxxxxxxxxxxx~~ as well as possible penetrations of SFS. The lessons checks with KUBARK are worthwhile.

c. [] passed on a number of trace ~~xxxxxxxxxx~~ requests.

d. [] requested CARBO check with Proelich and report on procedures used for West German mailing (how many mailers, how recruited, how is mail transported to them, what provision for return mail, ~~xxx~~ what are relations to any West German offices established by CADROIT, etc).

3. [] noted that one channel of possible SFS attack upon CADROIT might be through concerted libel and slander actions based upon the derogatory material which ~~xx~~ CADROIT assembled and maintained in its files, and requested CARBO to check and report on the legal basis for any such attack along these lines. The charge from plaintiff X would be that CADROIT had used secret informants (~~true~~) to assemble derog info about X (possibly true) which had resulted in harm to X (possible denial of political recognition, loss of job, etc). ~~xxxx~~ CADROIT was not really an official agency, might not have the privileges in this respect that agencies of the government have. CARBO stated it was completely impossible that such actions could be maintained for CADROIT's part in granting or denying recognition. CADROIT does not give the derog info itself to the ENAV, but states whether there is derog in the CADROIT files or not.

There was another possibility, however: CADROIT assembles derog info re died-in-the-wool SED'ers, SFS Spitzel, etc, which it publishes in the propaganda material which it sends into the Zone (particularly in the Bezirk newspapers) -- ~~xxxxxxxx~~ the whole purpose of this is to "injure" the person named by warning those who come in contact with him. Persons so named might later bring libel actions. CARBO will check the matter. (Note: RIAS earlier stopped broadcasting similar material due to complaint of injury, etc.).

4. Re the "Liebermann" case, PEPIN noted that the CADROIT file had been returned to HENARD and the matter had discussed with him. [] turned the slim "ZEPPELINE" file ~~xmimxxxxxxxxxx~~ which contained some of the letters to the LFV which LADELL had written. CARBO noted HENARD had not discussed the case with him since then (there had been very little time). [] noted the case had proved to have been of considerable importance; losses had been suffered which might have been avoided if the case had been fully coordinated earlier, etc. The file showed letters written by CARBO had warned persons that they were objects of SFS interest; some of these persons had been SFS Spitzel, etc. CARBO was visibly shocked by the news, was speechless for a moment, then noted that he recalled only two letters written by him; these had been sent approx. a year ago (implications: this could not have been cause of arrest).. [] queried me what instructions he had received concerning the extent to which he should ~~xxxxxxxxxxxx~~ inform KUBARK of the case, noting that HENARD had taken the position that ~~//J/~~ he, HENARD had known of the case, but had given instructions that "the Americans were to be fully informed", ~~xxxxxxxxxxxxxxxxxxxx~~ ~~xxxxxxxxxxxxxxxxxxxx~~. CARBO replied flatly and without hesitation that he had never received any instructions concerning the case aside from instructions to send the two letters to persons whom the SFS had instructed "Lieber_mann" to check out. He had sent these letters upon instruction by LADELL. CARBO noted that the question seemed a little strange, since he had not handled the case; LADELL had handled the case himself, as previously noted, ~~xxxxxxxx~~ with Dr. Wolff handling the contact. CARBO had received copies of contact reports, as

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and HENARD and LADZILL. Had CARBO ever discussed the case with HENARD? Yes, once-
~~xxxxx~~ there had been a meeting attended by HENARD, CARBO, and Wolff, which had
been called at the latter's request. There was a report of the meeting in the
file. [] cautioned CARBO about getting involved in any friction within
CADROIT re the case, and closed by emphasising that the delay in informing
~~KUBARK~~ had been regrettable.
KUBARK of the ~~xxxxxxxxxxxxxx~~ case. Similar cases were to be coordinated
with KUPARK in the future.

5. It may be noted that [] did not discuss with CARBO the idea of
sending purported SFS recruitment letters to CADROIT staffers (secretaries, probably)
asking them to appear at a certain time and place for further discussion, in order
to test whether or not the recipient reported the matter within ~~xxxxxx~~ CADROIT.
Although it appears CARBO might be helpful in drafting such a letter, as noted
when the idea was earlier suggested within CADRAN, it is not clear that CARBO
should be cut in on any contemplated implementation of [] suggestion.

NEXT MEETING: 19 Oct 55, 1930, same place.